

## NSR Reform Implementation In South Carolina

Issues, Implementation Process, & Timetables



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### NSR Reform by EPA

\* Changes under consideration by SCDHEC are those published by EPA on December 31, 2002

Routine Maintenance, Repair and Replacement exclusion published on October 27, 2003 will not be addressed at this time (stayed by court order)



### EPA's Reform Items

- Baseline actual emissions
- \* "Actual to Projected Actual" applicability test
- Clean units
- Plantwide applicability limits (PALs)
- \* Pollution control projects (PCPs)

### **Baseline Actual Emissions**

Compare emissions before change vs. after change: Does emissions change cause significant net emissions increase?

Baseline period to be representative of normal operation

(EPA rule in 1992 for utilities [WEPCO]- use two consecutive years in prior five — "two-of-five year look back")

#### December, 2002 rule

- Any consecutive twenty-four months in ten year period ("ten year look back")
- Utility look back kept at "two-of-five year look back"

### Actual to Projected Actual Applicability Test

Pre-December, 2002 - For non-utilities, compare pre-change actual to post-change potential ("actual-to-potential")

<u>December, 2002 rule - Gives non-utilities actual-to-projected-actual methodology that EPA gave utilities in 1992 (WEPCO)</u>

#### Methodology:

- Project maximum post-change actuals for five years (or ten years if change in design capacity or increase in potential to emit)
- Exclude emissions increases which could be accommodated before change
- Keep records to document projected actuals



### **Clean Units**

Units with BACT, LAER or equivalent level controls

\* NSR not triggered if change does not exceed unit allowable emissions limit

Designation lasts 10 years and can requalify without additional controls



# Plantwide Applicability Limits (PALs)

- Provides alternative to multiple PTE limitations on individual units
- Plant emissions capped at baseline actuals plus the significance level of a specific pollutant
- PAL allows facility-wide operational flexibility
- Any physical or operational change allowed without NSR review if emissions are within PAL limit
- Effective ten years can be renewed state makes decision



# Pollution Control Projects (PCPs)

- Project that reduces emissions of a pollutant causing a net increase in another pollutant
- Applies to all sources (including utilities)
- Must as a whole have overall environmental benefit but does not have to be primary purpose – balancing test
- Listed projects presumed to be beneficial



### Our Options on NSR Reform

- \* Adopt regulations as written
- Minor changes to ease implementation
- \* Use STAPPA/ALAPCO menu options to develop "moderate" changes
- Develop individual regulations specific to SC "as stringent" as proposed regulations



### Reasons for Delay of Action

- \* Needed to resolve Ozone Early Action Plan first
- \* Hoped for some judicial resolution to lawsuits
- \* Allow "cooling off" period and reflection on various outlooks and reviews



### Notice of Intent to Draft

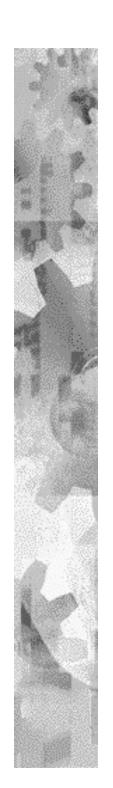
First step in our process to develop regulations

★ Notice published in State Register on January 4, 2004



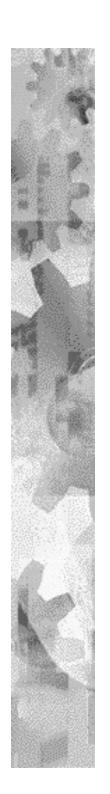
### Where We Are Now

- First meeting of internal group was on March 8, 2004
- \* Weekly meetings held to complete draft regulation as proposed initial position
- First e-mail out to "potential" stakeholders sent April 2, 2004
- First stakeholders meeting on May 26, 2004



### Planned Path Forward

- Prepare draft proposal which is to be our initial position
- Hold stakeholder sessions May August '04
- Notice of draft regulations Fall '04
- **★ Public Hearing December '04**
- Submission to General Assembly January '05



### When Would We Implement?

\*When final regulation is published in State Register (June '05?) our regulations are officially changed.

# If EPA on board with final regulation we implement then, and will not wait until SIP is modified